

SENATE BILL No. 410

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 6-3.5; IC 6-5.5-8-2; IC 6-6; IC 12-7-2-91; IC 12-13; IC 12-17-3-2; IC 12-19; IC 20-8.1; IC 31-19-26-1; IC 31-40.

Synopsis: Transfers obligation for child welfare to state. Provides that the state shall pay the costs paid by county property taxes from the family and children fund including the costs of caring for children who are adjudicated to be children in need of services or delinquent children (except for probation, guardian ad litem, and court appointed special advocate services), for wards of the county or state, or for foster children, costs for informal adjustments, service referral agreements and adoption assistance, and costs for certain educational services. Repeals the statute that establishes a county family and children's fund to pay for these expenses. Requires the division of family and children to apply for available federal funds to help defray the state's costs of placement of children in these facilities.

Effective: January 1, 2000; March 1, 2001.

Simpson

January 11, 1999, read first time and referred to Committee on Finance.



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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

SENATE BILL No. 410

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-18-3 (CURRENT VERSION) IS AMENDED
2 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3.
3 (a) Except as provided in subsection (b), the sum of all tax rates for all
4 political subdivisions imposed on tangible property within a political
5 subdivision may not exceed:
6 (1) one dollar and twenty-five cents (\$1.25) on each one hundred
7 dollars (\$100) of assessed valuation in territory outside the
8 corporate limits of a city or town; or
9 (2) two dollars (\$2) on each one hundred dollars (\$100) of
10 assessed valuation in territory inside the corporate limits of a city
11 or town.
12 (b) The proper officers of a political subdivision shall fix tax rates
13 which are sufficient to provide funds for the purposes itemized in this
14 subsection. The portion of a tax rate fixed by a political subdivision
15 shall not be considered in computing the tax rate limits prescribed in
16 subsection (a) if that portion is to be used for one (1) of the following
17 purposes:



(1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.

(2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.

(3) To pay the principal or interest upon:

(A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or

(B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

(4) To pay the principal or interest upon an obligation issued in the manner provided in IC 6-1.1-20-3 (before its repeal) or IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

(5) To pay a judgment rendered against the political subdivision.

(6) To meet the requirements of the county welfare fund, the county welfare administration fund, **or** for public welfare services. ~~or the family and children's fund for child services (as defined in IC 12-19-7-1).~~

(7) To meet the requirements of the county hospital care for the indigent fund.

(c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a county board of tax adjustment, a county auditor, or the state board of tax commissioners may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.

SECTION 2. IC 6-1.1-18-3 (DELAYED VERSION) IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

(1) forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation in territory outside the corporate limits of a city or town; or

(2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each one hundred dollars (\$100) of assessed valuation in territory inside the corporate limits of a city or town.

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this



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subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:

(1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.

(2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.

(3) To pay the principal or interest upon:

(A) an obligation issued by the political subdivision to meet an emergency which results from a flood, fire, pestilence, war, or any other major disaster; or

(B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

(4) To pay the principal or interest upon an obligation issued in the manner provided in IC 6-1.1-20-3 (before its repeal) or IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

(5) To pay a judgment rendered against the political subdivision.

(6) To meet the requirements of the county welfare fund, the county welfare administration fund, **or** for public welfare services. ~~or the family and children's fund for child services (as defined in IC 12-19-7-1).~~

(7) To meet the requirements of the county hospital care for the indigent fund.

(c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a county board of tax adjustment, a county auditor, or the state board of tax commissioners may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.

SECTION 3. IC 6-1.1-18.5-9.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9.7. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed under any of the following:

(1) IC 12-16, except IC 12-16-1.

(2) IC 12-19-3-3 through IC 12-19-3-7.

(3) IC 12-19-4.

(4) IC 12-19-5.



~~(5) IC 12-19-7.~~

~~(6) (5) IC 12-20-24.~~

(b) For purposes of computing the ad valorem property tax levy limits imposed under section 3 of this chapter, a county's or township's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under the citations listed in subsection (a).

(c) Section 8(b) of this chapter does not apply to bonded indebtedness that will be repaid through property taxes imposed under IC 12-19.

SECTION 4. IC 6-1.1-18.6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. A county may not impose a county welfare property tax levy for an ensuing calendar year ~~or a county family and children property tax levy for an ensuing calendar year (whichever applies)~~ that exceeds the product of:

(1) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for the ensuing calendar year; multiplied by

(2) the maximum county welfare property tax levy ~~or the maximum county family and children property tax levy (whichever applies)~~ that the county could have imposed for the calendar year immediately preceding the ensuing calendar year under the limitations set by this section.

SECTION 5. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which, under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting



taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(5) and IC 6-1.1-18.5-13(6) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

~~(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus~~

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 or any

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citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 for a racial balance fund; plus

(iii) IC 20-14-13 for a library capital projects fund; plus

(iv) IC 20-5-17.5-3 for an art association fund; plus

(v) IC 21-2-17 for a special education preschool fund; plus

(vi) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus

(vii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5(a) STEP ONE or any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(5) filed after December 31, 1982; or

(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes

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levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus

(K) for each county, the sum of:

(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995; the amount determined under IC 12-19-7-4(b); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995; or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

SECTION 6. IC 6-1.1-21-5 IS AMENDED TO READ AS



FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5. (a) Each year the taxpayers of each county shall receive a credit for property tax replacement in the amount of twenty percent (20%) of the tax liability (as defined in this section) of each taxpayer for taxes which under IC 6-1.1-22-9 are due and payable in May and November of that year. The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the state board of tax commissioners. The tax liability of a taxpayer for the purpose of computing the credit for a particular year shall be based upon the taxpayer's tax liability as is evidenced by the tax duplicate for the taxes payable in that year, plus the amount by which the tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year as provided in sections 2(g) and 3 of this chapter, adjusted, however, for any change in assessed valuation which may have been made pursuant to a post-abstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a). However, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), (2)(g)(1)(H), ~~or 2(g)(1)(I) or 2(g)(1)(J)~~ of this chapter in computing the total county tax levy.

(b) The credit for taxes payable in a particular year with respect to mobile homes which are assessed under IC 6-1.1-7 is twenty percent (20%) of the taxes payable with respect to the assessments plus the adjustments stated in this section.

(c) Each taxpayer in a taxing district that contains all or part of an economic development district that meets the requirements of section 5.5 of this chapter is entitled to an additional credit for property tax replacement. This credit is equal to the product of:

- (1) the STEP TWO quotient determined under section 4(a)(3) of this chapter for the taxing district; multiplied by
- (2) the taxpayer's property taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

SECTION 7. IC 6-1.1-29-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9. (a) A county council may adopt an ordinance to abolish the county board of tax adjustment. This ordinance must be adopted by July 1 and may not be



1 rescinded in the year it is adopted. Notwithstanding IC 6-1.1-17,
 2 IC 6-1.1-18, IC 6-1.1-19, IC 12-19-3, ~~IC 12-19-7~~, IC 21-2-14,
 3 IC 36-8-6, IC 36-8-7, IC 36-8-7.5, IC 36-8-11, IC 36-9-3, IC 36-9-4,
 4 and IC 36-9-13, if such an ordinance is adopted, this section governs
 5 the treatment of tax rates, tax levies, and budgets that would otherwise
 6 be reviewed by a county board of tax adjustment under IC 6-1.1-17.

7 (b) The time requirements set forth in IC 6-1.1-17 govern all filings
 8 and notices.

9 (c) A tax rate, tax levy, or budget that otherwise would be reviewed
 10 by the county board of tax adjustment is considered and must be treated
 11 for all purposes as if the county board of tax adjustment approved the
 12 tax rate, tax levy, or budget. This includes the notice of tax rates that is
 13 required under IC 6-1.1-17-12.

14 SECTION 8. IC 6-5.5-8-2 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. (a) On or
 16 before February 1, May 1, August 1, and December 1 of each year the
 17 auditor of state shall transfer to each county auditor for distribution to
 18 the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount
 19 equal to one-fourth (1/4) of the sum of the guaranteed amounts for all
 20 the taxing units of the county. On or before August 1 of each year the
 21 auditor of state shall transfer to each county auditor the supplemental
 22 distribution for the county for the year. **For purposes of determining**
 23 **distributions under subsection (b), the auditor of state shall**
 24 **determine a state welfare allocation. The allocation is the amount**
 25 **that was allocated in the previous year adjusted to reflect the**
 26 **percentage change in the total amount to be distributed compared**
 27 **to the previous year. The welfare allocation shall be deducted from**
 28 **the county's distribution and deposited in the state welfare fund.**

29 (b) A taxing unit's guaranteed distribution for a year is the greater
 30 of zero (0) or an amount equal to:

31 (1) the amount received by the taxing unit under IC 6-5-10 and
 32 IC 6-5-11 in 1989; minus

33 (2) the amount to be received by the taxing unit in the year of the
 34 distribution, as determined by the state board of tax
 35 commissioners, from property taxes attributable to the personal
 36 property of banks, exclusive of the property taxes attributable to
 37 personal property leased by banks as the lessor where the
 38 possession of the personal property is transferred to the lessee.

39 (c) The amount of the supplemental distribution for a county for a
 40 year shall be determined using the following formula:

41 STEP ONE: Determine the greater of zero (0) or the difference
 42 between:



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(A) one-half (1/2) of the taxes that the department estimates will be paid under this article during the year; minus

(B) the sum of all the guaranteed distributions for all taxing units in all counties plus the bank personal property taxes to be received by all taxing units in all counties, as determined under subsection (b)(2) for the year.

STEP TWO: Determine the quotient of:

(A) the amount received under IC 6-5-10 and IC 6-5-11 in 1989 by all taxing units in the county; divided by

(B) the sum of the amounts received under IC 6-5-10 and IC 6-5-11 in 1989 by all taxing units in all counties.

STEP THREE: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the amount determined in STEP TWO.

STEP FOUR: Determine the greater of zero (0) or the difference between:

(A) the amount of supplemental distribution determined in STEP THREE for the county; minus

(B) the amount of refunds granted under IC 6-5-10-7 that have yet to be reimbursed to the state by the county treasurer under IC 6-5-10-13.

For the supplemental distribution made on or before August 1 of each year, the department shall adjust the amount of each county's supplemental distribution to reflect the actual taxes paid under this article for the preceding year.

(d) The amount of the supplemental distribution for each taxing unit shall be determined using the following formula:

STEP ONE: Determine the quotient of:

(A) the amount received by the taxing unit under IC 6-5-10 and IC 6-5-11 in 1989; divided by

(B) the sum of the amounts used in STEP ONE (A) for all taxing units located in the county.

STEP TWO: Determine the product of:

(A) the amount determined in STEP ONE; multiplied by

(B) the supplemental distribution for the county, as determined in subsection (c), STEP FOUR.

(e) The county auditor shall distribute the guaranteed and supplemental distributions received under subsection (a) to the taxing units in the county at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

SECTION 9. IC 6-6-5-9.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9.5. (a) Before the



twentieth day of each month the bureau shall do the following:

(1) Determine the amount of excise taxes that would have been collected for each county for the preceding month based on the tax rate schedule that was in effect on January 1, 1995.

(2) Determine and report to the auditor of state the difference between what was actually collected for each county for that month and what would have been collected at the January 1, 1995, rates.

(b) For the months of January through November, the auditor of state shall determine a monthly uniform disbursement percentage to be applied in determining the amount of motor vehicle excise tax replacement money to be disbursed to each county. The monthly uniform disbursement percentage equals the quotient of the sum of the amounts transferred under IC 4-30-17-3.5 plus the amounts transferred under subsections (f) and (g) to the motor vehicle excise tax replacement account in the month of the bureau's report divided by the sum of the total differences for all counties, as determined under subsection (a) and identified in the bureau's report for that month.

(c) For December, the auditor of state shall determine an annual uniform disbursement percentage to be applied in determining the amount of motor vehicle excise tax replacement money to be disbursed to each county in December as an annual adjustment.

(d) The annual uniform disbursement percentage equals the quotient of the sum of the amounts transferred under IC 4-30-17-3.5 plus the amounts transferred under subsections (f) and (g) to the motor vehicle excise tax replacement account in the months of January through December divided by the sum of the total differences for all counties, as determined under subsection (a) and identified in the bureau's reports for the months of January through December.

(e) For the months of January through November, the auditor of state shall distribute to the county the amount of the difference determined under subsection (a) in the month of the bureau's report for that county, multiplied by the monthly uniform disbursement percentage for that month. For December, the auditor shall distribute to the county the total difference in the bureau's reports determined under subsection (a) in the months of January through December for that county, multiplied by the annual uniform disbursement percentage, less the amounts distributed to the county in January through November. However, the total distribution to a county in a calendar year may not exceed the total difference in the bureau's reports determined under subsection (a) in the months of January through December for that county in the year.



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(f) The transfers under this subsection are in addition to the transfers required under IC 4-30-17-3.5 and subsection (g). Before the twenty-fifth day of each month, the auditor of state shall transfer from the state general fund to the state general fund motor vehicle excise tax replacement account the following:

(1) In calendar year 1996, nine million four hundred fifty-one thousand one hundred eighty-five dollars (\$9,451,185).

(2) In calendar year 1997, seven million two hundred seventy-six thousand three hundred seventy-seven dollars (\$7,276,377).

(3) In calendar year 1998, five million one hundred eight thousand fourteen dollars (\$5,108,014).

(4) In calendar year 1999, two million seven hundred seventy-five thousand six hundred nine dollars (\$2,775,609).

(5) In calendar year 2000, three hundred seventy-four thousand six hundred seven dollars (\$374,607).

(6) In calendar year 2001 and thereafter, sixteen thousand nine hundred seventy-four dollars (\$16,974).

The transfers required under this subsection are annually appropriated from the state general fund.

(g) This subsection applies only after December 31, 1995, and applies only if insufficient money is available in the lottery and gaming surplus account of the build Indiana fund to make the distributions to the state general fund motor vehicle excise tax replacement account that are required under IC 4-30-17-3.5. Before the twenty-fifth day of each month, the auditor of state shall transfer from the state general fund to the state general fund motor vehicle excise tax replacement account the difference between:

(1) the amount that IC 4-30-17-3.5 requires the auditor of state to distribute from the lottery and gaming surplus account of the build Indiana fund to the state general fund motor vehicle excise tax replacement account; and

(2) the amount that is available under IC 4-30-17-3.5 for distribution from the lottery and gaming surplus account in the build Indiana fund to the state general fund motor vehicle excise tax replacement account.

The transfers required under this subsection are annually appropriated from the state general fund.

(h) Any money remaining in the motor vehicle excise tax replacement account after the last county distribution in December shall be transferred to the build Indiana fund state and local capital projects account established under IC 4-30-17-3.5. The auditor of state shall make the distribution before the end of the month the auditor



1 receives the bureau's report.

2 (i) The money needed for the distribution shall be withdrawn from
3 the motor vehicle excise tax replacement account. There is
4 appropriated from the state general fund motor vehicle excise tax
5 replacement account, the amount needed to make the distributions
6 required by this section.

7 (j) Distributions made under this section are considered motor
8 vehicle excise taxes for purposes of allocating revenue among taxing
9 units under this chapter.

10 **(k) For purposes of determining distributions under this section,**
11 **the auditor of state shall determine a state welfare allocation. The**
12 **allocation is the amount that was allocated in the previous year**
13 **adjusted to reflect the percentage change in the total amount to be**
14 **distributed compared to the previous year. The welfare allocation**
15 **shall be deducted from the county's distribution and deposited in**
16 **the state welfare fund.**

17 SECTION 10. IC 6-6-5-10 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 10. (a) The
19 bureau shall establish procedures necessary for the collection of the tax
20 imposed by this chapter and for the proper accounting for the same.
21 The necessary forms and records shall be subject to approval by the
22 state board of accounts.

23 (b) The county treasurer upon receiving the excise tax collections
24 shall receipt such collections into a separate account for settlement
25 thereof at the same time as property taxes are accounted for and settled
26 in June and December of each year, with the right and duty of the
27 treasurer and auditor to make advances prior to the time of final
28 settlement of such property taxes in the same manner as provided in
29 IC 5-13-6-3.

30 (c) The county auditor shall determine the total amount of excise
31 taxes collected for each taxing unit in the county and the amount so
32 collected shall be apportioned and distributed among the respective
33 funds of each taxing unit in the same manner and at the same time as
34 property taxes are apportioned and distributed. **For purposes of**
35 **determining distributions under this section, the county auditor**
36 **shall determine a state welfare allocation. The allocation is the**
37 **amount that was allocated in the previous year adjusted to reflect**
38 **the percentage change in the total amount to be distributed**
39 **compared to the previous year. The welfare allocation shall be**
40 **distributed at the same time as the county's distribution to the state**
41 **treasurer to be credited to the state welfare fund.**

42 (d) Such determination shall be made from copies of vehicle



1 registration forms furnished by the bureau of motor vehicles. Prior to
 2 such determination, the county assessor of each county shall, from
 3 copies of registration forms, cause information pertaining to legal
 4 residence of persons owning taxable vehicles to be verified from his
 5 records, to the extent such verification can be so made. He shall further
 6 identify and verify from his records the several taxing units within
 7 which such persons reside.

8 (e) Such verifications shall be done by not later than thirty (30) days
 9 after receipt of vehicle registration forms by the county assessor, and
 10 the assessor shall certify such information to the county auditor for his
 11 use as soon as it is checked and completed.

12 SECTION 11. IC 6-6-6.5-21 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 21. (a) The
 14 department shall allocate each aircraft excise tax payment collected by
 15 it to the county in which the aircraft is usually located when not in
 16 operation or to the aircraft owner's county of residence if based out of
 17 state. The department shall distribute to each county treasurer on a
 18 quarterly basis the aircraft excise taxes which were collected by the
 19 department during the preceding three (3) months and which the
 20 department has allocated to that county. The distribution shall be made
 21 on or before the fifteenth of the month following each quarter and the
 22 first distribution each year shall be made in April. **For purposes of**
 23 **determining distributions under this section, the department shall**
 24 **determine a state welfare allocation. The allocation is the amount**
 25 **that was allocated in the previous year adjusted to reflect the**
 26 **percentage change in the total amount to be distributed compared**
 27 **to the previous year. The welfare allocation shall be distributed at**
 28 **the same time as the county's distribution to the state treasurer to**
 29 **be credited to the state welfare fund.**

30 (b) Concurrently with making a distribution of aircraft excise taxes,
 31 the department shall send an aircraft excise tax report to the county
 32 treasurer and the county auditor. The department shall prepare the
 33 report on the form prescribed by the state board of accounts. The
 34 aircraft excise tax report must include aircraft identification, owner
 35 information, and excise tax payment, and must indicate the county
 36 where the aircraft is normally kept when not in operation. The
 37 department shall, in the manner prescribed by the state board of
 38 accounts, maintain records concerning the aircraft excise taxes
 39 received and distributed by it.

40 (c) Except as provided in section 21.5 of this chapter, each county
 41 treasurer shall deposit money received by him under this chapter in a
 42 separate fund to be known as the "aircraft excise tax fund". The money

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1 in the aircraft excise tax fund shall be distributed to the taxing units of
2 the county in the manner prescribed in subsection (d).

3 (d) In order to distribute the money in the county aircraft excise tax
4 fund to the taxing units of the county, the county auditor shall first
5 allocate the money in the fund among the taxing districts of the county.
6 In making these allocations, the county auditor shall allocate to a taxing
7 district the excise taxes collected with respect to aircraft usually
8 located in the taxing district when not in operation. The money
9 allocated to a taxing district shall be apportioned and distributed among
10 the taxing units of that taxing district in the same manner and at the
11 same time that the property taxes are apportioned and distributed.

12 (e) Within thirty (30) days following the receipt of excise taxes from
13 the department, the county treasurer shall file a report with the county
14 auditor concerning the aircraft excise taxes collected by the county
15 treasurer. The county treasurer shall file the report on the form
16 prescribed by the state board of accounts. The county treasurer shall,
17 in the manner and at the times prescribed in IC 6-1.1-27, make a
18 settlement with the county auditor for the aircraft excise taxes collected
19 by the county treasurer. The county treasurer shall, in the manner
20 prescribed by the state board of accounts, maintain records concerning
21 the aircraft excise taxes received and distributed by him.

22 SECTION 12. IC 6-6-9-11 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 11. (a) All
24 revenues collected from the auto rental excise tax shall be deposited in
25 a special account of the state general fund called the auto rental excise
26 tax account.

27 (b) On or before May 20 and November 20 of each year, all amounts
28 held in the auto rental excise tax account shall be distributed to the
29 county treasurers of Indiana. **For purposes of determining**
30 **distributions under this section, the department shall determine a**
31 **state welfare allocation. The allocation is the amount that was**
32 **allocated in the previous year adjusted to reflect the percentage**
33 **change in the total amount to be distributed compared to the**
34 **previous year. The welfare allocation shall be distributed to the**
35 **state treasurer to be credited to the state welfare fund.**

36 (c) The amount to be distributed to a county treasurer equals that
37 part of the total auto rental excise taxes being distributed that were
38 initially imposed and collected from within that treasurer's county. The
39 department shall notify each county auditor of the amount of taxes to
40 be distributed to the county treasurer. At the same time each
41 distribution is made to a county treasurer, the department shall certify
42 to the county auditor each taxing district within the county where auto

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1 rental excise taxes were collected and the amount of the county
2 distribution that was collected with respect to each taxing district.

3 (d) The county treasurer shall deposit auto rental excise tax
4 collections into a separate account for settlement at the same time as
5 property taxes are accounted for and settled in June and December of
6 each year.

7 (e) The county auditor shall apportion and the county treasurer shall
8 distribute the auto rental excise taxes among the taxing units of the
9 county in the same manner that property taxes are apportioned and
10 distributed with respect to property located in the taxing district where
11 the auto rental excise tax was initially imposed and collected. The auto
12 rental excise taxes distributed to a taxing unit shall be allocated among
13 the taxing unit's funds in the same proportions that the taxing unit's
14 property tax collections are allocated among those funds.

15 (f) Taxing units of a county may request and receive advances of
16 auto rental excise tax revenues in the manner provided under
17 IC 5-13-6-3.

18 (g) All distributions from the auto rental excise tax account shall be
19 made by warrants issued by the auditor of state to the treasurer of state
20 ordering those payments to the appropriate county treasurer.

21 SECTION 13. IC 6-6-11-31 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 31. (a) A boat
23 excise tax fund is established in each county. Each county treasurer
24 shall deposit in the fund the taxes received under this chapter.

25 (b) The excise tax money in the county boat excise tax fund shall be
26 distributed to the taxing units of the county. The county auditor shall
27 allocate the money in the fund among the taxing units of the county
28 based on the tax situs of each boat. The money allocated to the taxing
29 units shall be apportioned and distributed among the funds of the
30 taxing units in the same manner and at the same time that property
31 taxes are apportioned and distributed. **For purposes of determining
32 distributions under this section, the county auditor shall determine
33 a state welfare allocation. The allocation is the amount that was
34 allocated in the previous year adjusted to reflect the percentage
35 change in the total amount to be distributed compared to the
36 previous year. The welfare allocation shall be distributed to the
37 state treasurer to be credited to the state welfare fund.**

38 SECTION 14. IC 12-7-2-91 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 91. "Fund" means
40 the following:

41 (1) For purposes of IC 12-12-1-9, the fund described in
42 IC 12-12-1-9.



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- 1 (2) For purposes of IC 12-13-8, the meaning set forth in
- 2 IC 12-13-8-1.
- 3 (3) For purposes of IC 12-15-20, the meaning set forth in
- 4 IC 12-15-20-1.
- 5 (4) For purposes of IC 12-17-12, the meaning set forth in
- 6 IC 12-17-12-4.
- 7 (5) For purposes of IC 12-18-4, the meaning set forth in
- 8 IC 12-18-4-1.
- 9 (6) For purposes of IC 12-18-5, the meaning set forth in
- 10 IC 12-18-5-1.
- 11 (7) For purposes of IC 12-19-3, the meaning set forth in
- 12 IC 12-19-3-1.
- 13 (8) For purposes of IC 12-19-4, the meaning set forth in
- 14 IC 12-19-4-1.
- 15 ~~(9) For purposes of IC 12-19-7, the meaning set forth in~~
- 16 ~~IC 12-19-7-2.~~
- 17 ~~(10)~~ For purposes of IC 12-23-2, the meaning set forth in
- 18 IC 12-23-2-1.
- 19 ~~(11)~~ **(10)** For purposes of IC 12-24-6, the meaning set forth in
- 20 IC 12-24-6-1.
- 21 ~~(12)~~ **(11)** For purposes of IC 12-24-14, the meaning set forth in
- 22 IC 12-24-14-1.
- 23 ~~(13)~~ **(12)** For purposes of IC 12-30-7, the meaning set forth in
- 24 IC 12-30-7-3.

25 SECTION 15. IC 12-13-5-1 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. The division
 27 shall administer or supervise the public welfare activities of the state.
 28 The division has the following powers and duties:

- 29 (1) The administration of old age assistance, aid to dependent
- 30 children, and assistance to the needy blind and persons with
- 31 disabilities, excluding assistance to children with special health
- 32 care needs.
- 33 (2) The administration of the following:
 - 34 (A) Any public child welfare service.
 - 35 (B) The licensing and inspection under IC 12-17.2 and
 - 36 IC 12-17.4.
 - 37 (C) The care of dependent and neglected children in foster
 - 38 family homes or institutions, especially children placed for
 - 39 adoption or those born out of wedlock.
 - 40 (D) The interstate placement of children.
- 41 (3) The provision of services to county governments, including
- 42 the following:



- 1 (A) Organizing and supervising county offices for the effective
- 2 administration of public welfare functions.
- 3 (B) Compiling statistics and necessary information concerning
- 4 public welfare problems throughout Indiana.
- 5 (C) Researching and encouraging research into crime,
- 6 delinquency, physical and mental disability, and the cause of
- 7 dependency.
- 8 (4) Prescribing the form of, printing, and supplying to the county
- 9 departments blanks for applications, reports, affidavits, and other
- 10 forms the division considers necessary and advisable.
- 11 (5) Cooperating with the federal Social Security Administration
- 12 and with any other agency of the federal government in any
- 13 reasonable manner necessary and in conformity with IC 12-13
- 14 through IC 12-19 to qualify for federal aid for assistance to
- 15 persons who are entitled to assistance under the federal Social
- 16 Security Act. The responsibilities include the following:
- 17 (A) Making reports in the form and containing the information
- 18 that the federal Social Security Administration Board or any
- 19 other agency of the federal government requires.
- 20 (B) Complying with the requirements that a board or agency
- 21 finds necessary to assure the correctness and verification of
- 22 reports.
- 23 (6) Appointing from eligible lists established by the state
- 24 personnel board employees of the division necessary to effectively
- 25 carry out IC 12-13 through IC 12-19. The division may not
- 26 appoint a person who is not a citizen of the United States and who
- 27 has not been a resident of Indiana for at least one (1) year
- 28 immediately preceding the person's appointment unless a
- 29 qualified person cannot be found in Indiana for a position as a
- 30 result of holding an open competitive examination.
- 31 (7) Assisting the office of Medicaid policy and planning in fixing
- 32 fees to be paid to ophthalmologists and optometrists for the
- 33 examination of applicants for and recipients of assistance as
- 34 needy blind persons.
- 35 (8) When requested, assisting other departments, agencies,
- 36 divisions, and institutions of the state and federal government in
- 37 performing services consistent with this article.
- 38 (9) Acting as the agent of the federal government for the
- 39 following:
- 40 (A) In welfare matters of mutual concern under IC 12-13
- 41 through IC 12-19.
- 42 (B) In the administration of federal money granted to Indiana

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in aiding welfare functions of the state government.

(10) Administering additional public welfare functions vested in the division by law and providing for the progressive codification of the laws the division is required to administer.

(11) Transferring to each county that is required to submit a schedule under IC 12-19-1-9(d) an amount equal to the scheduled amount of the county's lease and rental obligations as provided in IC 12-19-1-9.

(12) Supervising day care centers and child placing agencies.

(13) Supervising the licensing and inspection of all public child caring agencies.

(14) Supervising the care of delinquent children and children in need of services.

(15) Assisting juvenile courts as required by IC 31-30 through IC 31-40.

(16) Supervising the care of dependent children and children placed for adoption.

(17) Compiling information and statistics concerning the ethnicity and gender of a program or service recipient.

(18) Providing permanency planning services for children in need of services, including:

(A) making children legally available for adoption; and

(B) placing children in adoptive homes;

in a timely manner.

(19) Paying the obligations for child services described in IC 12-19-1-21.

SECTION 16. IC 12-13-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5. (a) Each county auditor shall keep records and make reports relating to the county welfare fund ~~the family and children's fund~~, and other financial transactions as required under IC 12-13 through IC 12-19 and as required by the division.

(b) All records provided for in IC 12-13 through IC 12-19 shall be kept, prepared, and submitted in the form required by the division and the state board of accounts.

SECTION 17. IC 12-13-7-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 17. The part of the care and maintenance of the inmates of the Plainfield Juvenile Correctional Facility and the Indianapolis Juvenile Correctional Facility that under law is to be charged back to the counties shall be paid from the county general fund and not the county welfare fund, ~~or the county family and children's fund~~, unless otherwise provided by



1 law.

2 SECTION 18. IC 12-17-3-2 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. (a) This section
4 does not apply to a county department's:

- 5 (1) administrative expenses; or
6 (2) expenses regarding facilities, supplies, and equipment.

7 (b) Necessary expenses incurred in the administration of the child
8 welfare services under section 1 of this chapter shall be paid out of the
9 county welfare fund. ~~or the county family and children's fund~~
10 ~~(whichever is appropriate).~~

11 SECTION 19. IC 12-19-1-21 IS ADDED TO THE INDIANA
12 CODE AS A NEW SECTION TO READ AS FOLLOWS
13 [EFFECTIVE JANUARY 1, 2000]: Sec. 21. (a) As used in this
14 chapter, "child services" means child welfare services specifically
15 provided for children who:

- 16 (1) are adjudicated to be:
17 (A) children in need of services; or
18 (B) delinquent children; or
19 (2) are recipients of or are eligible for:
20 (A) informal adjustments;
21 (B) service referral agreements; and
22 (C) adoption assistance;

23 including the costs of using an institution or facility for providing
24 educational services as described in either IC 20-8.1-3-36 (if
25 applicable) or IC 20-8.1-6.1-8 (if applicable), all services required
26 to be paid by the division under IC 31-40-1, and all costs required
27 to be paid by the division under IC 20-8.1-6.1-7.

28 (b) The division shall pay the expenses and obligations incurred
29 after December 31, 1999, to deliver child services.

30 SECTION 20. IC 12-19-1-22 IS ADDED TO THE INDIANA
31 CODE AS A NEW SECTION TO READ AS FOLLOWS
32 [EFFECTIVE JANUARY 1, 2000]: Sec. 22. (a) This section applies
33 notwithstanding the repeal of IC 12-19-7 (effective January 1,
34 2000).

35 (b) All bonds issued under IC 12-1-11 (before its repeal) or this
36 article before January 1, 2000, or under subsection (c):

- 37 (1) are direct general obligations of the county issuing the
38 bonds; and
39 (2) are payable out of unlimited ad valorem taxes that shall be
40 levied and collected on all the taxable property within the
41 county.

42 (c) If the family and children's fund established under



1 **IC 12-19-7 (repealed January 1, 2000) is exhausted before January**
 2 **1, 2000, the county may obtain loans and issue bonds under**
 3 **IC 12-19-7 to provide money for the fund as if IC 12-19-7 had not**
 4 **been repealed.**

5 **(d) Each official and body responsible for the levying of taxes**
 6 **for the county must ensure that sufficient levies are made to meet**
 7 **the principal and interest on the bonds at the time fixed for the**
 8 **payment of the principal and interest, without regard to any other**
 9 **statute. If an official or a body fails or refuses to make or allow a**
 10 **sufficient levy required by this section, the bonds and the interest**
 11 **on the bonds shall be payable out of the general fund of the county**
 12 **without appropriation.**

13 **SECTION 21. IC 12-19-3-1.1 IS AMENDED TO READ AS**
 14 **FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1.1. As used in**
 15 **this chapter, "welfare services" means services provided by the county**
 16 **office in the payment of AFDC and child welfare services, not**
 17 **including the child services defined in ~~IC 12-19-7-1~~ IC 12-19-1-21.**

18 **SECTION 22. IC 12-19-3-2 IS AMENDED TO READ AS**
 19 **FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. (a) A county**
 20 **welfare fund is established in each county. The fund shall be raised by**
 21 **a separate tax levy (the county welfare property tax levy) that:**

- 22 (1) is in addition to all other tax levies authorized; and
- 23 (2) shall be levied annually by the county fiscal body on all
- 24 taxable property in the county in the amount necessary to raise the
- 25 part of the fund that the county must raise to pay the items,
- 26 awards, claims, allowances, assistance, and other expenses set
- 27 forth in the annual budget under section 3 of this chapter.

28 (b) The tax imposed under this section shall be collected as other
 29 state and county ad valorem taxes are collected.

30 (c) The following shall be paid into the county treasury and
 31 constitute the county welfare fund:

- 32 (1) All receipts from the tax imposed under this section.
- 33 (2) All grants-in-aid, whether received from the federal
- 34 government or state government.
- 35 (3) Any other money required by law to be placed in the fund.

36 (d) **Except as provided in IC 12-19-1-21**, the county welfare fund
 37 is available for the purposes of paying expenses and obligations set
 38 forth in the annual budget that is submitted and approved.

39 **SECTION 23. IC 12-19-3-3 IS AMENDED TO READ AS**
 40 **FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) The county**
 41 **director shall annually compile and adopt a county welfare budget,**
 42 **which must be in a form prescribed by the state board of accounts.**



(b) The budget must contain an estimate of the amount of money that will be needed by the county office during the fiscal year to defray the expenses and obligations incurred by the county office in the payment of AFDC and child welfare services not including the child services defined in ~~IC 12-19-7-1~~. **IC 12-19-1-21.**

SECTION 24. IC 12-19-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. (a) The county director shall, at the same time a county welfare budget is compiled and adopted, recommend to the division the tax levy that the director determines will be required to raise the amount of revenue necessary to pay the expenses and obligations of the county office set forth in the budget.

(b) After the county welfare budget has been compiled, the county director shall submit a copy of the budget and the tax levy recommended by the county director to the division. The division shall examine the budget and the tax levy for the purpose of determining whether, in the judgment of the division:

- (1) the appropriations requested in the budget will be adequate to defray the expenses and obligations incurred by the county office in the payment of assistance to dependent children and child welfare services not including the child services defined in ~~IC 12-19-7-1~~, **IC 12-19-1-21**, for the next fiscal year; and
- (2) the tax levy recommended will yield the amount of the appropriation set forth in the budget.

SECTION 25. IC 12-19-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. (a) In addition to the other method of welfare financing provided by this article, the county director may appeal for the right to borrow money on a short term basis to fund child services under IC 12-19-7-1 or other welfare services in the county if the county director determines that the ~~family and children's fund or the county welfare fund~~ will be exhausted before the end of a fiscal year.

(b) In an appeal under this section, the county director must show the following:

- (1) That the amount of money in the ~~family and children's fund or the county welfare fund (whichever applies)~~ will be insufficient to fund the appropriate services within the county under this article.
- (2) The amount of money that the county director estimates will be needed to fund that deficit.

(c) The county director shall immediately transmit an appeal under this section to the director.



1 SECTION 26. IC 12-19-5-9 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9. The division or
 3 a county fiscal body may not do the following:

4 (1) Recommend or approve a request to borrow money made
 5 under this chapter unless the body determines that ~~the family and~~
 6 ~~children's fund or~~ the county welfare fund ~~(whichever applies)~~
 7 will be exhausted before the particular fund can fund all county
 8 obligations incurred under this article.

9 (2) Recommend or approve a loan that will exceed the amount of
 10 the estimated deficit.

11 SECTION 27. IC 20-8.1-3-36 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 36. (a) It is
 13 unlawful for a person operating or responsible for an educational,
 14 correctional, charitable, or benevolent institution or training school to
 15 fail to ensure that a child under his authority attends school as required
 16 under this chapter. Each day of violation of this section constitutes a
 17 separate offense.

18 (b) If a child is placed in an institution or facility under a court
 19 order, the institution or facility shall charge the ~~county office of the~~
 20 ~~county of the student's legal settlement under IC 12-19-7 division of~~
 21 **family and children** for the use of the space within the institution or
 22 facility (commonly called capital costs) that is used to provide
 23 educational services to the child based upon a prorated per student cost.

24 SECTION 28. IC 20-8.1-6.1-7 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 7. (a) If a student
 26 is transferred under section 2 of this chapter from a school corporation
 27 in Indiana to a public school corporation in another state, the transferor
 28 corporation shall pay the transferee corporation the full tuition fee
 29 charged by the transferee corporation. However, the amount of the full
 30 tuition fee must not exceed the amount charged by the transferor
 31 corporation for the same class of school, or if the school has no such
 32 classification, the amount must not exceed the amount charged by the
 33 geographically nearest school corporation in Indiana which has such
 34 classification.

35 (b) If a child is:

36 (1) placed by a court order in an out-of-state institution or other
 37 facility; and

38 (2) provided all educational programs and services by a public
 39 school corporation in the state where the child is placed, whether
 40 at the facility, the public school, or another location;

41 the ~~county office division~~ of family and children ~~for the county placing~~
 42 ~~the child~~ shall pay ~~from the county family and children's fund~~ to the

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public school corporation in which the child is enrolled the amount of transfer tuition specified in subsection (c).

(c) The transfer tuition for which ~~a county office~~ **the division of family and children** is obligated under subsection (b) is equal to the following:

(1) The amount under a written agreement among the ~~county office,~~ **division of family and children**, the institution or other facility, and the governing body of the public school corporation in the other state that specifies the amount and method of computing transfer tuition.

(2) The full tuition fee charged by the transferee corporation, if subdivision (1) does not apply. However, the amount of the full tuition fee must not exceed the amount charged by the transferor corporation for the same class of school, or if the school has no such classification, the amount must not exceed the amount charged by the geographically nearest school corporation in Indiana which has such classification.

(d) If a child is:

(1) placed by a court order in an out-of-state institution or other facility; and

(2) provided:

(A) onsite educational programs and services either through the facility's employees or by contract with another person or organization that is not a public school corporation; or

(B) educational programs and services by a nonpublic school; ~~the county office~~ **division of family and children** ~~for the county placing the child shall pay from the county family and children's fund in an amount and in the manner specified in a written agreement between the~~ **county office division** and the institution or other facility.

~~(e) An agreement described in subsection (c) or (d) is subject to the approval of the director of the division of family and children. However, For purposes of IC 4-13-2, the an agreement described in subsection (c) or (d) shall not be treated as a contract.~~

SECTION 29. IC 20-8.1-6.1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 8. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as kindergarten, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, vocational



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1 training, or career education.

2 (2) "ADM" means the following:

3 (A) For purposes of allocating to a transfer student state
4 distributions under IC 21-1-30 (primetime), "ADM" as
5 computed under IC 21-1-30-2.

6 (B) For all other purposes, "ADM" as set forth in
7 IC 21-3-1.6-1.1.

8 (3) "Pupil enrollment" means the following:

9 (A) The total number of students in kindergarten through
10 grade 12 who are enrolled in a transferee school corporation
11 on a date determined by the Indiana state board of education.

12 (B) The total number of students enrolled in a class of school
13 in a transferee school corporation on a date determined by the
14 Indiana state board of education.

15 However, a kindergarten student shall be counted under clauses
16 (A) and (B) as one-half (1/2) a student.

17 (4) "Special equipment" means equipment that during a school
18 year:

19 (A) is used only when a child with disabilities is attending
20 school;

21 (B) is not used to transport a child to or from a place where the
22 child is attending school;

23 (C) is necessary for the education of each child with
24 disabilities that uses the equipment, as determined under the
25 individualized instruction program for the child; and

26 (D) is not used for or by any child who is not a child with
27 disabilities.

28 The Indiana state board of education may select a different date for
29 counts under subdivision (3). However, the same date shall be used for
30 all school corporations making a count for the same class of school.

31 (b) Each transferee corporation is entitled to receive for each school
32 year on account of each transferred student, except a student
33 transferred under section 3 of this chapter, transfer tuition from the
34 transferor corporation or the state as provided in this chapter. Transfer
35 tuition equals the amount determined under STEP THREE of the
36 following formula:

37 STEP ONE: Allocate to each transfer student the capital
38 expenditures for any special equipment used by the transfer
39 student and a proportionate share of the operating costs incurred
40 by the transferee school for the class of school where the transfer
41 student is enrolled.

42 STEP TWO: If the transferee school included the transfer student



in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) The following state distributions that are computed in any part using ADM or other pupil count in which the student is included:

- (i) Primetime grant under IC 21-1-30.
- (ii) Tuition support for basic programs and at-risk weights under IC 21-3-1.7-8 (before January 1, 1996) and only for basic programs (after December 31, 1995).
- (iii) Enrollment growth grant under IC 21-3-1.7-9.5.
- (iv) At-risk grant under IC 21-3-1.7-9.7.
- (v) Academic honors diploma award under IC 21-3-1.7-9.8.
- (vi) Vocational education grant under IC 21-3-1.8-3.
- (vii) Special education grant under ~~IC 21-3-1.8~~ **IC 21-3-1.8-2** (repealed January 1, 1996) or IC 21-3-10.
- (viii) The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).

(B) For school years beginning after June 30, 1997, property tax levies.

(C) For school years beginning after June 30, 1997, excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) For school years beginning after June 30, 1997, allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

- (A) zero (0); or
- (B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the ~~county office of the county of the student's legal settlement under IC 12-19-7~~ **division of family and children** for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board



of accounts. This calculation excludes:

- (1) capital outlay;
- (2) debt service;
- (3) costs of transportation;
- (4) salaries of board members;
- (5) contracted service for legal expenses; and
- (6) any expenditure which is made out of the general fund from extracurricular account receipts;

for the school year.

(d) The capital cost of special equipment for a school year is equal to:

- (1) the cost of the special equipment; divided by
- (2) the product of:
 - (A) the useful life of the special equipment, as determined under the rules adopted by the Indiana state board of education; multiplied by
 - (B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the pupil enrollment of each class in the transferee corporation compared to the total pupil enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

- (1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by
- (2) the pupil enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of pupil attendance, the transfer tuition shall be calculated by the portion of the school year for which the transferred student is enrolled. A school year of pupil attendance consists of the number of days school is in session for pupil attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, **because** the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or **because** the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. Where an



1 agreement cannot be reached, the amount shall be determined by the
 2 Indiana state board of education and costs may be established, when in
 3 dispute, by the state board of accounts.

4 (g) A transferee school shall allocate revenues described in
 5 subsection (b) STEP TWO to a transfer student by dividing:

6 (1) the total amount of revenues received; by

7 (2) the ADM of the transferee school for the school year that ends
 8 in the calendar year in which the revenues are received.

9 However, for state distributions under IC 21-1-30, IC 21-3-10, or any
 10 other statute that computes the amount of a state distribution using less
 11 than the total ADM of the transferee school, the transferee school shall
 12 allocate the revenues to the transfer student by dividing the revenues
 13 that the transferee school is eligible to receive in a calendar year by the
 14 pupil count used to compute the state distribution.

15 (h) In lieu of the payments provided in subsection (b), the transferor
 16 corporation or state owing transfer tuition may enter into a long term
 17 contract with the transferee corporation governing the transfer of
 18 students. This contract is for a maximum period of five (5) years with
 19 an option to renew and may specify a maximum number of pupils to be
 20 transferred and fix a method for determining the amount of transfer
 21 tuition and the time of payment, which may be different from that
 22 provided in section 9 of this chapter.

23 (i) If the school corporation can meet the requirements of
 24 IC 21-1-30-5, it may negotiate transfer tuition agreements with a
 25 neighboring school corporation that can accommodate additional
 26 students. Agreements under this section may be for one (1) year or
 27 longer and may fix a method for determining the amount of transfer
 28 tuition or time of payment that is different from the method, amount,
 29 or time of payment that is provided in this section or section 9 of this
 30 chapter. A school corporation may not transfer a student under this
 31 section without the prior approval of the child's parent or guardian.

32 (j) If a school corporation experiences a net financial impact with
 33 regard to transfer tuition that is negative for a particular school year as
 34 described in IC 6-1.1-19-5.1, the school corporation may appeal for an
 35 excessive levy as provided under IC 6-1.1-19-5.1.

36 SECTION 30. IC 20-8.1-6.1-12 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 12. (a) Annually
 38 before the date specified in the rules adopted by the Indiana state board
 39 of education, each school corporation shall report the information
 40 specified in subsection (b) for each student:

41 (1) for whom tuition support is paid by another school
 42 corporation;



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(2) for whom tuition support is paid by the state; and
 (3) who is enrolled in the school corporation but has the equivalent of a legal settlement in another state or country; to the county office (as defined in IC 12-7-2-45) for the county in which the principal office of the school corporation is located and to the department of education.

(b) Each school corporation shall provide the following information for each school year beginning with the school year beginning July 1, 1994, for each category of student described in subsection (a):

(1) The amount of tuition support and other support received for the students described in subsection (a).

(2) The operating expenses, as determined under section 8 of this chapter, incurred for the students described in subsection (a).

(3) Special equipment expenditures that are directly related to educating students described in subsection (a).

(4) The number of transfer students described in subsection (a).

(5) Any other information required under the rules adopted by the Indiana state board of education after consultation with the office of the secretary of family and social services.

(c) The information required under this section shall be reported in the format and on the forms specified by the Indiana state board of education.

(d) Not later than November 30 of each year beginning after December 31, 1994, the department of education shall compile the information required from school corporations under this section and submit the compiled information in the form specified by the office of the secretary of family and social services to the office of the secretary of family and social services.

(e) Not later than November 30 of each year beginning after December 31, 1994, each county office shall submit the following information to the office of the secretary of family and social services for each child who is described in ~~IC 12-19-7-1(1)~~ **IC 12-19-1-21(a)(1)** and is placed in another state or is a student in a school outside the school corporation where the child has legal settlement:

(1) The name of the child.

(2) The name of the school corporation where the child has legal settlement.

(3) The last known address of the custodial parent or guardian of the child.

(4) Any other information required by the office of the secretary of family and social services.

(f) Not later than December 31 of each year beginning after



December 31, 1994, the office of the secretary of family and social services shall submit a report to the members of the budget committee and the executive director of the legislative services agency that compiles and analyzes the information required from school corporations under this section. The report shall identify the types of state and local funding changes that are needed to provide adequate state and local money to educate transfer students.

SECTION 31. IC 31-19-26-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. (a) When a petition for adoption is filed seeking a subsidy and the payment of a subsidy is ordered by the court, the order must contain the following information:

- (1) Whether a subsidy will be paid under section 2 or 3 of this chapter, or both.
- (2) The amount of each subsidy to be paid.
- (3) If a subsidy will be paid under section 3 of this chapter, the condition or cause covered by the subsidy.
- (4) Any condition for the continued payment of a subsidy other than a requirement set forth in this chapter.

(b) The ~~county office division~~ of family and children ~~of the county responsible for foster care of an adoptive child~~ may be ordered to pay either or both of the subsidies under this chapter to the adoptive parents or designated payees to the extent that money is available.

SECTION 32. IC 31-34-24-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 8. In preparing the plan, the team shall review and consider existing publicly and privately funded programs that are available or that could be made available in the county to provide supportive services to or for the benefit of children described in section 3 of this chapter without removing the child from the family home, including programs funded through the following:

- (1) Title IV-B of the Social Security Act (42 U.S.C. 620 et seq.).
- (2) Title IV-E of the Social Security Act (42 U.S.C. 670 et seq.).
- (3) Title XX of the Social Security Act (42 U.S.C. 1397 et seq.).
- (4) The Child Abuse Prevention and Treatment Act (42 U.S.C. 5106 et seq.).
- (5) Community corrections programs under IC 11-12.
- (6) Special education programs under IC 20-1-6-19.
- (7) All programs designed to prevent child abuse, neglect, or delinquency, or to enhance child welfare and family preservation administered by, or through funding provided by, the division of family and children, county offices, prosecutors, or juvenile



1 courts, including programs funded under IC 12-19-5 ~~IC 12-19-7~~,
 2 and IC 31-40.

3 SECTION 33. IC 31-40-1-1 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. This article
 5 applies to a financial burden sustained by **the state and** a county as the
 6 result of costs paid ~~by the county~~ under section 2 of this chapter,
 7 including costs resulting from the institutional placement of a child
 8 adjudicated a delinquent child or a child in need of services.

9 SECTION 34. IC 31-40-1-2 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 2. (a) ~~The county~~
 11 **state** shall pay the cost of:

12 (1) any services ordered by the juvenile court for any child or the
 13 child's parent, guardian, or custodian; and

14 (2) returning a child under IC 31-37-23;

15 **except for probation, guardian ad litem, and court appointed**
 16 **special advocate services. The county shall pay the cost of**
 17 **probation, guardian ad litem, and court appointed special advocate**
 18 **services.**

19 (b) ~~The state and the~~ county fiscal body shall provide sufficient
 20 money to meet the court's requirements.

21 (c) The child's parent or the guardian of the estate of a child shall
 22 reimburse the **state and** county for the costs paid under subsection (a)
 23 (or IC 31-6-4-18(b) before its repeal) as provided under this article.

24 (d) After receiving a petition for reimbursement from **the state or**
 25 a county that has paid for services under subsection (a) (or
 26 IC 31-6-4-18(b) before its repeal), the court shall hold a hearing to
 27 determine whether to order reimbursement by the child's parents or the
 28 guardian of the child's estate to the **state or** county, **or both**, as
 29 described under this article.

30 SECTION 35. IC 31-40-1-4 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. The parent or
 32 guardian of the estate of any child returned to Indiana under the
 33 interstate compact on juveniles under IC 31-37-23 shall reimburse the
 34 **state and** county for all costs involved in returning the child that the
 35 court orders the parent or guardian to pay under section 3 of this
 36 chapter (or IC 31-6-4-18(e) before its repeal) whether or not the child
 37 has been adjudicated a delinquent child or a child in need of services.

38 SECTION 36. IC 31-40-1-5 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 5. (a) Whenever
 40 the court orders institutional placement of a child:

41 (1) the court shall refer to the child support guidelines adopted by
 42 the Indiana supreme court to determine the financial contribution

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required from each parent of the child or the guardian of the child's estate;

(2) the court shall order support paid by each of the child's parents or the guardian of the child's estate, except as provided under section 3 of this chapter; and

(3) if an existing support order is in effect, the court shall order support payments to be assigned to the county office of family and children for the duration of the institutional placement.

(b) When implementing this section, the ~~county office~~ **division** of family and children shall:

(1) comply with 45 CFR 302.52 and 45 CFR 303.2; and

(2) remit all other support payments to the ~~county state~~ general fund.

(c) A support order entered under subsection (a) (or IC 31-6-4-18(f) before its repeal) shall be paid through the clerk of the circuit court as trustee for remittance to the ~~county~~ **state**.

(d) The ~~county office~~ **division** of family and children shall monitor the enforcement of support orders under subsection (a).

(e) The ~~county prosecuting~~ attorney for the ~~office of family and children~~ **county** shall seek enforcement of the support orders.

SECTION 37. IC 31-40-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1. If the parent or guardian of the estate:

(1) defaults in reimbursing the **division of family and children or the** county; or

(2) fails to pay a fee authorized by this article;

the juvenile court may find the parent or guardian in contempt and enter judgment for the amount due.

SECTION 38. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2000]: IC 6-1.1-18.6-1.1; IC 6-1.1-18.6-3; IC 12-19-7.

SECTION 39. [EFFECTIVE JULY 1, 1999] (a) **For purposes of determining the state welfare allocation of miscellaneous revenue for 2000, the allocation for the previous year is the amount of miscellaneous revenue allocated to the county welfare fund, the county family and children fund, and the county welfare administration fund for 1999 plus an adjustment to reflect the percentage change in the amount to be distributed in 2000 for each type of miscellaneous revenue.**

(b) **This SECTION expires July 1, 2001.**

SECTION 40. [EFFECTIVE JANUARY 1, 2000] (a) **This act applies to property taxes first due and payable after December 31, 1999.**



1 **(b) Except as provided in subsection (c), property taxes may not**
2 **be imposed under IC 12-9-7, as repealed by this act, after July 1,**
3 **1999.**

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